

Free Market Environmentalism: The Politically Incorrect Approach to Environmental Policy

Replacing Individualism with Collectivism to Achieve Ecological, Economic, and Social Sustainability

*Edward T. Wimberley, Ph.D.,
Professor of Ecological Studies
Division of Marine and Ecological Sciences
College of Arts & Sciences
Florida Gulf Coast University
Fort Myers, Florida*

*Bradley Hobbs, Ph.D.
BB&T Professor of Free Enterprise
Department of Economics and Finance
Lutgert College Business
Florida Gulf Coast University
Fort Myers, Florida*

Introduction:

If you peruse any of a number of popular texts currently utilized in colleges and universities across the United States, Canada and throughout Europe, pertaining to environmental philosophy, policy, ethics and education, you can't help but notice that there appears to be an underlying consensus that free market economic systems and classical "liberalism" which focuses upon the rights and privileges of individuals pose a certain and enduring threat for the world's environment. This virtual unanimity of opinion seems to be the accepted "politically correct" perspective within the academy. A bureaucratic collectivism based upon compulsion is seen as the only path capable of heading off certain environmental disaster.

By comparison, market solutions based upon individual rights, responsibilities and initiative have been largely deemed to be "politically incorrect." The underlying utilitarian and self-actualizing values of classical liberalism have become inextricably associated with all of the bad habits humans have acquired in regard to their relationship with the environment. Classically liberal approaches to not only economics

but politics, religious faith, self-expression and self-realization are considered ideas that have not only become outdated and passé, but politically unacceptable. These hegemonic values have become suspect and must be systematically rooted out and replaced with new and seemingly more environmentally friendly values, perspectives, behaviors and economics.

The predominant cure for these outdated and dangerous economic, political and personal values of old is to turn to the collective action of governments – state, national and international – to take an active role in managing economies. Proponents call for the assertion of direct and indirect control over the economy which has heretofore been within the purview of private capitalists and investors (at least in parts of the Western world.) The essence of this cure is to adopt one of a number of forms of socialism in which the state controls, owns or strictly oversees whole sectors of the economy (e.g. energy, transportation, finance, etc.) in the interest of accomplishing socio-ecological goals. Individuals are deemed to be shortsighted, greedy and ultimately incapable of realizing common good through the exercise of their preferences within a free-market system. This argument has deep foundations in political philosophy of the 16th through 18th centuries. The great advancement of the enlightenment was to see the advantages of organizing society along the more stable interests and rejecting the mercurial passions. Unfortunately, passion has again risen as the cause célèbre and the only path to credibility. The implications of this are unlikely to have changed over the last few centuries.

The heart of this political-economic-ecological transformation is the substitution of the collective interest for that of the individual. To that end, the historical emphasis upon the individual within the context of the society and the relationship of the individual to the state that has historically characterized classical liberalism is rejected. Ecological health, it would seem, can no longer be expected to survive the onslaught of individual's acting in their own self-interest (where self-interest is naively defined as greedy, capricious and selfishness.) Further tolerance of individual preferences through free markets is believed to be the undoing of ecological sustainability. Consequently and necessarily, individualism must be replaced

with the collective in community consciousness, social intercourse, politics and economics. A firm rejection of individual differences in the realm of political ideals and a deep embrace of the collective of not only human individuals but of all flora, fauna and ecosystems appears to be the consensus among many of those who would shape the future of the world to promote ecological values which they deem to be superior and preeminent (Foster, 200; 2009a; 2009b).

The prevailing wisdom within the academy assumes a distinctly Marxist perspective on resolving our ecological problems – perceiving these as the inevitable product of a fetid capitalistic order gone amuck. As prominent Marxist ecological analyst and University of Oregon sociologist John Bellamy Foster observed “it is not people (as individuals and in aggregate) that are enemies of the environment but the historically specific economic and social order in which we live” (Foster, 1995). Accordingly, “The problems of empire, the problems of ecology and the problems of economy are all related to this crisis of capitalism, the crisis of our civilization as it exists” (Foster, 2009b). In Foster’s opinion traditional capitalist, market-oriented approaches to economics – driven as they are by an elite ruling capitalistic class - must be completely abandoned in favor of a “political economy” “whereby it comes to be understood that the economy is subject to public control and should be wrested from the domination of the ruling class” (Foster, 2009c). Ultimately this requires dismantling the current structure of wealth and economic capacity and redistributing these resources via public (governmental) control in the interest of achieving social, economic and ecological justice.

Substituting Eco-Centrism for Anthropocentrism

Concomitant to the adoption of a Marxist perspective on economics and wealth is the conviction that individual and anthropocentric ecological perspectives must be replaced with bio-centric and eco-centric values. In fact many – if not most – universities in North America and Europe have long since incorporated this ethic into their curricular offerings and consider it to be a legitimate and necessary role of a liberal arts education to eliminate individualistic and anthropocentric worldviews with the same temerity and

dedication they would apply to ridding their students of racist, homophobic, anti-Semitic or anti-feminist values and attitudes. In short, a bias toward an eco-centric and bio-centric ecological ethic has already been incorporated into the politically correct, multi-cultural worldview of the modern university alongside a devotion to collectivist solutions to all public and ecological issues as conceived and implemented by an elite few who guide the political economy. In this way political economics replaces market economics in the academic curriculum of our institutions of higher education. The elevation of biocentrism and eco-centrism over anthropocentrism is undoubtedly the most enduring legacy of Aldo Leopold's famous "Land Ethic." Accordingly, eco-centrism must ultimately supplant anthropocentrism as the dominant personal, social, cultural, economic and ecological ethic. This interpretation of Leopold's philosophy is central to the environmental vision promulgated in most modern universities.

Environmental education 101 in every introductory environmental class from the elementary school level onward espouses a narrative based upon the rejection of anthropocentrism and the substitution of a more inclusive and enlightened eco-centrism. Anthropocentrism is blamed for every observed example of excess and irresponsible action. In this way, the collective ecological community (not simply the human community) is prioritized and valued above and beyond the values, actions and aspirations of human beings and especially individual human beings. Students are encouraged to heed Leopold's recommendation to "think like a mountain" and to relate to the world in ways that lie outside the clear and inherent limitations of anthropocentrism. In this regard they are encouraged to recognize the dramatic difference between typically human-conceived scales of time and ecological change as compared to the *actual* temporal and ecological change scales that can be observed in the natural and geological record (Norton, 2005).

As a theoretical exercise Leopold's advice is sound and worthy of consideration. However, from a pragmatic perspective, it fails precisely because human beings are necessarily anthropocentric in their orientation toward the world. This observation stands at the heart of Edward Wimberley's work on

“nested ecology” in which he asserts that individual human beings of necessity relate to the world around them by way of their human senses, families, societies, culture and economies (Wimberley, 2009). This anthropocentric perspective is unavoidable and is fully consistent with how every other living creature on the planet also relates to the world around them. Consequently, asking people to not be anthropocentric in their interactions or deriding them when they do so is not merely a matter of impracticality: it is an assault upon humanity itself. Taken to the extreme, Leopold’s land ethic implies that human welfare is of less consequence and importance than that of the larger ecological community on Earth. Thus a binomial “either-or” scenario is established in which there are winners and losers and where the ecological community can only “win” if the human community on Earth comparatively “loses” something or “things.”

Subjugating the Interests of the Individual to those of the Collective

Academics and others who fear or resent socio-economic systems and approaches that allow for the freedom of individual interests all too frequently advocate for more state control along the lines proposed by Robert Bellamy Foster. They rationalize their encroachment into the rights and prerogatives of individuals by arguing that we face an ill-defined “ecological crisis” which justifies and necessitates the abrogation of individual rights and their subsequent incorporation into the apparatus of the state to vouchsafe the interests of the collective over the more narrow and selfish interests of individuals. Of course, the most important and crucial goal for acolytes of the new Gaia-oriented religion is the destruction of the free market as an avenue for the expression of individual preferences.

This approach can be readily observed throughout Europe and increasingly so within the federal policies of the United States. Moreover, they are inherent to the environmental policies emanating from the United Nations and its Intergovernmental Panel on Climate Change (IPCC) which is well on its way to becoming the International Police for Climate Control. Assuming these trends continue, the inevitable result appears to be a dramatic growth in state, federal and international control and regulation of not only economies but inevitably of individual lifestyles – all in the name of protecting us and the planet from

one ill-defined catastrophic ecological crisis after another. The realization of such a political economy is precisely what influential environmental activists within the academy advocate and teach.

The compelling question that continually emerges throughout this contemporary ideological and ecological struggle for economic and political dominance is whether or not collective, state control is preferable to the action of free markets when it comes to improving environmental health and sustainability.

Our perspective is that free-markets can and should be utilized as the principle tool for realizing ecological improvement. In this regard we constitute a minority within the academic environmental community where post-capitalistic expansionist, regulatory, and “command and control” philosophies and attitudes toward “managing” the environment dominate. At the heart of these perspectives are fundamental misgivings about the legitimacy of “individual” action and initiative to satisfy personal needs and desires, as compared to the perceived merit in assuming a “collective” perspective which includes both human and natural collective constituents. Since market transactions are made by individual persons to satisfy individual preferences such transactions become morally inferior to those made on the behalf of the preferences of the larger collective.

Those of us who advocate for a free market approach to environmentalism legitimately fear the power and influence of those who would act on behalf of the collective – to include the collective interests of nature. The history of eco-fascism that emerged in and around the era of Nazi Germany is sadly now a distant memory for many and no longer serves as a reminder of what can happen when the agendas of an elite few are imposed upon individuals. In cases like these, the purported ecological value of protecting the environment can conceivably be well exceeded by the negative influence upon individual liberty, choice and initiative. Free market environmentalists value the individual and recognize that ultimately – regardless of what political or environmental philosophy or policies exist – individuals will ultimately

interact across every nested ecological realm as individuals, and they will express their preferences as they are able. This is the essence of what Wimberley refers to as “necessary anthropocentrism.”

Necessary Anthropocentrism and Trade

Constrained as we are to perceive the world through the lenses of our human senses and to interact with nature and one another by way of the tools, constructs, ideas and systems we have created, it is of vital importance to recognize and appreciate the centrality of trade or market exchanges as a vehicle for human sustenance, self-realization and self-actualization. The historical record is replete with the evidence and narratives of human trade and its influence upon human ideas, society, government, art, philosophy and ethics (Pomeranz and Topik, 2000). Trade and exchange is simply what contemporary humans do. Arguably, free trade and exchange have been responsible for lifting countless human beings beyond the realm of meager self-sufficiency. Moreover, they have resulted not only in higher aggregate standards of living and immense social, cultural, occupational and economic specialization they have also improved the health and socio-cultural welfare for all who have been given the opportunity to express their preferences within the context of market exchanges.

Asking contemporary people to refrain from expressing their preferences within relatively free and unfettered markets – i.e. abrogating their rights and investing them in the state to achieve a supposed ecological outcome - is a denial of the necessary anthropocentrism of human beings. Human beings don't “merely” trade and exchange, they “desire” trade and exchange, they “want” to trade and exchange. Ultimately, to realize their full human potential in this contemporary world, humans *must* engage in trade and the exchange of goods and services. Nobody is exempt from this requirement.

Trade and exchange allows for the widespread transformation of natural resources into goods and products, and the valuing that becomes associated with these products is and always has been a central activity of human interaction for as long as human history can be recounted and reconstructed. Ecologically speaking, compelling human beings to forgo free exchange is to detract from the net

humanity of each and every human being as well as to diminish the vigor and resilience of human communities more broadly defined. In a word, it is an “inhuman” act precisely because it ignores and denies the fact that human beings are of necessity anthropocentric in their orientation and free market trade is a central way in which they express and realize their “necessarily anthropocentric selves.”

The Wisdom of the Academy: Post-Capitalism and Environmentalism

Environmental essayist and Distinguished Professor of English at Illinois State University Curtis White expresses the prevailing sentiments of the modern the academy regarding capitalism and environmentalism as clearly as anyone. White describes capitalism “as a system of ever-accelerating production and consumption” [which] we environmentalists continually insist, [is] not sustainable.” Moreover, he asserts that “it is a system intent on its own death” (White, 2007). The crux of White’s issues with capitalism is the capitalist him/herself who seemingly lacks any moral compass beyond their own immediate gratification. In this regard White projects an exceedingly dour view of human nature. Says White,

“the capitalist will stoically look destruction in the face before he will stop what he’s doing, especially if he believes that it is somebody else whose destruction is in question. Unlike most of the people living under him, the capitalist is a great risk-taker largely because he believes that his wealth insulates him from the consequences of risks gone bad. Ever the optimistic gambler with other people’s money, the capitalist is willing to wager that, while there may be costs to pay, he won’t have to pay them. Animals, plants, impoverished people near and far may have to pay, but he bets that he won’t. If called upon to defend his actions, he will of course argue that he has a constitutionally protected right to property and the pursuit of his own happiness. This is his “freedom.” At that point, we have the unfortunate habit of shutting up when we ought to reply, “Yes, but yours is a freedom without conscience” (White, 2007).

It is the morally bereft character of this market player that justifies in the minds of environmentalists like White the application of a radically different approach to the human/environmental relationship – one that requires that the individual consumer and capitalist be protected from himself by the state on behalf of the collective good – where the collective includes nature. The ethical foundations for this alternative philosophy are well grounded in virtually every branch of the academy – a philosophy which can generally be subsumed under the rubric of “social justice” – particularly as the term has come to have been defined by the work of ethicist John Rawls (2001, 1996; 1971).

Rawls defines social justice as “the capacity to understand, to apply, and to act from the public conception of justice which characterizes the fair terms of cooperation” among members of society” and to do so with “a willingness...to act in relation to others on terms that they also can publicly endorse” (Rawls, 1996, p. 19). Rawls then identifies two essential principles of justice, the first of which involves “equal liberty” and the second the values of “equal opportunity” and the “difference principle”- meaning that society may require efforts on behalf of the public that involves awarding some persons greater power, status, income or wealth than others. These two principles read as follows:

“I. Each person has an equal right to a fully adequate scheme of equal basic liberties which is compatible with a similar scheme of liberties for all,

II. Social and economic inequalities are to satisfy two conditions. First, they must be attached to offices and positions open to all under conditions of fair equality of opportunity; and second, they must be to the greatest benefit of the least advantaged members of society” (Rawls, 1996, p. 291).

Considered together, these principles, particularly the “difference principle,” have been used as a rationale for redistributing resources from one group to another in the interest of improving the conditions of one group by comparatively reducing the freedom, resources, authority, or rights of others. This philosophy which is consistent with socialistic redistributive principles is widely accepted within

modern universities and in more recent times has been applied to the environment, particularly in the work of the Brazilian eco-theologian and activist Leonardo Boff (1997). By comparison, proponents of free market capitalism are portrayed as ill-informed, self-indulgent, indifferent to the needs of others, and insensitive to the needs and demands of the natural environment. Theirs' is seemingly a morally bankrupt philosophy of immediate gratification - the interests of the collective *be-damned*.

Yet despite the seeming consensus within the academic community regarding imposing a "just" socialistic/collectivist/redistributive approach to managing economic resource on behalf of the environment the political and economic world has yet to witness a single instance in which such approaches to managing economic resources has substantially improved upon the working of comparatively unregulated free markets over the long haul. Planned and command and control economies have proved unsustainable and have largely failed to consistently deliver on their promises to the public or to the environment. Moreover, in many cases – such as within the former Soviet Union and other former Eastern-Bloc nations – centrally controlled economies have produced a tremendous degree of ecological trauma that in many cases is virtually beyond human capacity to mitigate. By comparison, free societies have largely remained so thanks to the ability of citizens to express their preferences and pursue their lives within the bounds of comparatively free (though regulated) markets. While Communist and socialist economies throughout Europe, Asia and South America have failed, nations pursuing comparatively capitalistic approaches have by and large prospered and in so doing have used a significant proportion of their economic and political resources to regulate and improve upon natural environments (Anderson, 2004; Hollander, 2003; Stanislaw and Yergin, 2002; Grossman and Krueger, 1995).

Nevertheless, some have speculated whether capitalism can ever truly be "green." Curtis White is pessimistic that capitalism can ever really be green. According to White,

“I don’t believe that capitalism can become green, simply because the imperatives of environmentalism are not part of its way of reasoning. Capitalism can think profit but it can’t think nature. It’s not in its nature to think nature” (White, 2007)

White is not alone in his pessimism. Victor Wallis a political science professor at Berklee College and editor of the journal *Socialism and Democracy* recently observed what he perceives to be inherent contradictions between the two worldviews:

“To be green means to prioritize the health of the ecosphere, with all that this entails in terms of curbing greenhouse gases and preserving biodiversity. To promote capitalism, by contrast, is to foster growth and accumulation, treating both the workforce and the natural environment as mere inputs” (Wallis, 2010).

Free market approaches to environmentalism by comparison seek to be “capitalistic” and “green” by imbuing their ecological philosophies with the values of democracy, justice and natural rights inherent within the earliest formulations of market capitalism. In particular, such market environmentalism presupposes a concept first introduced by Adam Smith in *Wealth of Nations* known as the “system of natural liberty.” According to this principle

“Every individual is continually exerting himself to find out the most advantageous employment for whatever capital he can command. It is his own advantage, indeed, and not that of the society, which he has in view. But the study of his own advantage naturally, or rather necessarily, leads him to prefer that employment which is most advantageous to the society” (Smith, 1776, IV.2.4).

The “system of natural liberty” operates upon the assumption that human beings are inherently and naturally “free” and when individuals act upon that freedom to maximize and ultimately realize their personal market advantage that, they will inevitably and “naturally” conclude to prefer exercising their advantages in the ways that are most appreciated and rewarded by the society. In this way what becomes

most advantageous for individuals are those things that the society also considers most advantageous in their regard. Accordingly,

“All systems either of preference or of restriction, therefore, being thus completely taken away, the obvious and simple system of natural liberty establishes itself of its own accord. Every man, as long as he does not violate the laws of justice, is left perfectly free to pursue his own interests his own way and to bring both his industry and capital into competition with those of other men” (Smith, 1776, IV.9.51).

This is of course, the central argument of some of the most noted among the free-market economists – people such as Ludwig von Mises, Friedrich von Hayek, W. H. Hutt, Milton Friedman and others. Indeed Von Hayek’s *Road to Serfdom* is a sober reminder of what happens when free-markets turn their backs upon Smith’s “natural liberties” and market initiative and discretion is replaced with state-run economics. The blatant failures of state socialism as illustrated within Stanislaw and Yergin’s *The Commanding Heights* (2002) seem to be completely ignored by the new Gaia cult and the ramifications for the return to state socialism is down-played if not ignored.

Socialism on the other hand is warmly embraced among university faculties despite its obvious and historical inadequacies and failures. For instance Barry Commoner, an early founder of the ecology movement in America and Senior Scientist and Director Emeritus at Queen College of the City University of New York has asserted that the “origin of the environmental crisis can be traced back to the capitalist precept that the choice of production technology is to be governed solely by private interests in profit maximization.” Commoner refutes such notions and instead offers a socialist solution insisting that environmental quality can be achieved only by “implement[ing] the social governance of production” (Commoner, 1971, p. 219).

No Economic or Political System is Perfect

No system is perfect. As market capitalism can become socially disruptive of employment and wages during periods of economic downturn, so can socialistic approaches serve to blunt affluence, perpetuate inefficiency, undercut individual initiative and freedom, politicize public concerns and issues and ultimately fail to relate to ecological issues in a timely and effective fashion. Every system possesses its own unique drawbacks. However among the options currently available, the one that has proved to be the most stable, sustainable, productive and democratic is that of market capitalism.

In fact, despite the current difficulties confronting the economies of the world, the historically dramatic failures of command and control and socialistic economic approaches not only in Europe and Asia but also throughout the Caribbean and South America and the notable failures of softer approaches to socialism in the United Kingdom and across Europe, render any serious assertion of the superiority of planned over free market economies disingenuous, irresponsible and frankly dangerous. That environmentalists within the academy and beyond would consistently advocate for such approaches to be employed in the interest of protecting the planet from anthropogenic despoliation is a measure of their collective ecological, historical and economic illiteracy, arrogance, and intellectual elitism. It is also a testament to the triumph of ideology over ideas, passion over judgment, and politics over purpose.

Such a philosophy advocates for the improvement of natural ecological resources by devolving human ecologies. At issue is whether this cure for the planet's environmental woes is far- or short-sighted. Operating from within the comfortable standard-of-living modern capitalism affords these critics of human initiative they engage in a rarified level of arrogance and self-indulgence. Humanity's mythical fall from grace is transposed from the Garden of Eden to the entire globe – all the while maintaining man's inherent sinful nature as the fundamental cause. Science and history become tools in which control of the narrative takes precedent and truth, if it fails to follow the correct normative *apriori* beliefs, is entirely expendable.

Free Market Environmentalism

Many of us involved in studying environmental issues and challenges respond to the current environmentalist hegemony within the university with a resounding – No! Not only is it possible to address the thorniest of the planet’s environmental problems through the application of free market economic principles and practices, ultimately, it is the only effective way to “sustainably” do so. Without doubt, human activities pose a significant threat to the world’s environs to include water and air pollution, overgrazing of grasslands, clear-cutting of forests, wasteful energy use and more. There is much room for improvement at many levels. However, on any given day, those factors most responsible for human environmental degradation can be linked to three principle causes – disease, war, and poverty – that can in turn be linked to economic scarcity and inefficiency.

Simply put people who are sick, poor and at war make exceedingly poor environmentalists. Maslow (1943) observed this reality long ago asserting that people who can’t get their basic needs met on a predictable basis are incapable of realizing higher level goals and environmental protection and sustainability are precisely the type of goals that are consistently forgone. As commentator Melissa Clouter has observed (2008) “Environmentalism is the luxury of those without more pressing concerns — like survival.” Clouter is not alone in her analysis either. Scholar Ifeanyi C. Ezeonu (2004) observes that “environmentalism [is] a luxury which only the rich industrialised nations of the North can afford” (p. 34). This perspective, commonly characterized as “Being too poor to be green” (Martinez-Alier, 1995) reflects the underlying belief “that the poor, though they desire a high quality environment, are unwilling to give up income to protect the environment. Only at higher incomes do they have the economic resources to divert to environmental causes” (Bruneau & Echevarria, 2009, p.2)

Despite the misgivings of academics like Barry Commoner, Curtis White and Victor Wallis regarding the utility of free market approaches to environmental issues, pertinent research on the topic is encouraging. The stream of research documenting the relationship between changes in income and changes in environmental quality that began in 1991 with a study of air quality linked to the North

American Free Trade Agreement (Grossman and Krueger, 1991) has mushroomed into more than 100 related studies investigating what has become known as “Environmental Kuznets Curves” (Vogel, 1967). These statistical comparisons designed to illustrate the relationship between per capita income growth and environmental concern, have consistently demonstrated that while through a low range of per capita income environmental quality is perceived as an unaffordable luxury at low levels of per capita income, perceptions dramatically change with income growth to the point where concerns over environmental quality become prominent (Yandle, Bhattari, and Vijayaraghavan, 2004).

Free market environmentalism is an approach that recognizes the role of individual incentives and property rights in the fate of the environment. It also reflects Smith’s concept of the market as a “system of natural liberty” where the advantage to the individual produces a complimentary advantage in the society. The free market approach to environmentalism is best illustrated by the work of numerous scholars at the Property and Environment research Center (PERC) in Bozeman, Montana. Terry Anderson and Donald Leal (2001) assume that the necessary prerequisite for achieving improved environmental outcomes is to marginally increase the affluence of as many people on the planet as possible. Rising affluence is anticipated to bring with it social stability, increased education levels, increased leisure time, a reduced birth-rate, economic stability and predictability, and consensual government. These characteristics relate to what Wimberley refers to as the “social ecology” of human beings. The goal is to enhance the quality of the overall social ecology in the interest of creating the social and economic conditions requisite for individuals and societies to creatively and successfully grapple with pressing environmental problems and cooperatively seek their sustainable resolution.

Anderson and Leal characterize free-market environmentalism as an approach which “emphasizes the positive incentives associated with prices, profits and entrepreneurship, as opposed to political environmentalism (the handmaiden of political economics), which emphasizes negative incentives associated with regulation and taxes” (Anderson & Leal, 2001, p. 4). So conceived, free market

environmentalism utilizes a system of well-defined property rights applied to natural and environmental resources to generate economic gain for their property owners. The combination of property rights and the potential for economic gain renders the holders of these rights more susceptible to cooperating with others in the utilization of any given set of natural assets.

Property rights set in motion a number of incentive structures favorable for the cooperative use of resources. As Anderson and Leal observe

“if private owners can sell their rights to use resources, the owners must not only consider their own values, they must also consider what others are willing to pay.” “Both the discipline of private ownership and the potential for gains from trade stand in sharp contrast to the political setting. When resources are controlled politically the costs of misuse are diffused and the potential for cooperation is minimized because the rights are essentially up for grabs” (Anderson & Leal, 2001, p. 4).

Property owners have an incentive to share access when faced with a positive price signal from the market. At some level of price they inevitably respond to this signal and allow access which generates the revenues required to maintain the resource. There are strong incentives to pursue good stewardship and conservation because resource holders are subject to the long-term ramifications of their short-term decisions. Clear title also provides avenues for legal recourse should others damage one’s property. The conditions for private property require clear titles (the property must be defined), the ability to exclude non-payers (the property must be defensible), and the ability to transfer ownership (the property must be divestible.)

As Anderson and Leal’s thesis suggests, free market environmentalism is unapologetically anthropocentric in orientation. Human cooperation and action are required for natural systems and creatures to thrive. Free market environmentalism integrates the divergent goals and interests of humans in ways that serve the nature *and* humanity.

For example, wolves were nearly eradicated in some sections of the American West because they were viewed as predators by cattlemen and sheep herders. In the early 1980s wolves were reintroduced near Yellowstone National Park with the explicit recognition that the costs of this action fell solely upon cattleman and sheepherders. Proponents of free market environmentalism recognized that ranchers had to be enlisted if the program was going to work. William Penn Mott, National Park Service Director told Hank Fisher of The Defenders of Wildlife that “The single most important action that conservation groups could take to advance the Yellowstone wolf restoration would be to start a compensation fund. Its economics that makes ranchers hate wolves. Pay them for their losses and the controversy will subside” (Fisher, 2001).

Fisher established just such a fund which compensated ranchers for bona fide wolf kills and later the same for livestock losses associated with bear programs. These approaches reduce the costs to ranchers and allow those who value wildlife to send meaningful, non-coercive, economic signals that they are willing to burden the costs of these programs as well as enjoy the benefits. Rather than oppose ranchers the World Wildlife Fund has established an ongoing, symbiotic relationship working *with* ranchers to develop wolf-friendly policies (Stone, et al., 2008.) The Defenders of Wildlife Wolf Compensation Trust has funneled over \$1.3 million since 1987 to “...shift economic responsibility for wolf recovery away from the individual rancher and toward the millions of people who want to see wolf populations restored.” Likewise, the World Wildlife Federation (WWF) has adopted a free market environmentalism approach in their African elephant conservation program producing vastly divergent results when clear property rights are assigned.

Corporations have also begun to approach environmental protection via market initiatives. For instance, International Paper Company has used this approach by financing the improvement of habitat within their East Texas and Louisiana forests through leases to hunters and fisherman who are more than happy to pay a fee to the company for the privilege of hunting and fishing on the corporation’s land

(Stroup, 2003, p. 17). In fact this approach has been widely adopted in corporate owned forest and range land throughout the U.S., providing dramatically more habitat for fish and wildlife while expanding outdoor opportunities for sportsmen and women (Rios, Thompson & Hellickson, 2007).

In every instance where free market environmentalism approaches are utilized, the underlying assumption is that human beings are more likely to act considerately of the environment if they are bona fide stakeholders in it. The concept of property rights which is inherent in free market approaches achieves this goal and recognizes that individual economic actors in the market system will of necessity perceive natural resources and systems around them in terms of their uniquely anthropocentric interests. So conceived, they will be invested in discovering how these resources can or may be employed to satisfy uniquely human needs and desires. In this way free market approaches inherently acknowledge the necessary anthropocentrism of human beings interacting with their environment.

A Justifiable Role for Governmental Regulation

Despite their positive attributes, free markets produce economic losses as well as rewards. Market upturns generate wealth and well being for a burgeoning number of people, but downturns also create unemployment, bankruptcies, and countless other ills. Likewise market exchanges are always subject to the excesses of greed and malfeasance. It is for this reason that government will always have an important role to play. The question is not whether government shall be involved in the economic affairs of a society but rather in what form and to what degree they will be involved.

For free market enthusiasts the role of government is minimum – involving the certification of property rights, the lawful, orderly and predictable functioning of markets, the provision and maintenance of a system of currency and credit, insuring the accuracy of information in transactions and guaranteeing that the market remains free of graft and extortion. Socialists and Marxists, on the other hand, contend that if markets are not carefully managed and administered on the behalf of the public (the collective) by a strong central government then they will ultimately cater to the desires of the elite at the expense of the

disenfranchised and poor thereby inextricably driving the society into moral, social, economic and ecological bankruptcy.

This marked divergence of opinion regarding the legitimate role and scope of government in the affairs of the society and the environment renders any effort to introduce free-market environmentalism into the academy difficult at the very least. Michael Blumm, professor of environmental law at Lewis and Clark Law School writing in the *Harvard Journal of Law and Public Policy* (1992), criticizes free market environmentalism as espoused by Anderson and Leal observing that their approach doesn't deal with the market failures that necessitates political environmentalism. For Anderson and Leal, the government role in this issue is narrowly proscribed to defining and enforcing property rights. They do not call for the government to actively involve itself through legislative guidance and, like Frederic Bastiat (1850) place great faith in mankind but little in the legislature.

Peter Huber, Senior Fellow at the Manhattan Institute and author of *Hard Green: Saving the Environment from the Environmentalists* (2000) is another voice often associated with free market environmentalism because of his devastating critique of the dominant anti-market mentality found among many environmentalists. However, unlike Anderson and Leal, Huber acknowledges a broader governmental role in terms of regulating pollutants, assuring water and air quality standards and other basic measures intended to insure a basic level of public and environmental health. To this end he justifies the use of the government's taxing and licensing authority.

That government will and should play a role in environmental policy, law and economics seems inevitable. Arguably, classic liberals and free market advocates want to insure that this role remains limited and to the greatest extent possible exerts a minimal impact upon the free choice of individuals within their economic activities. Consequently, rather than arguing whether the government will play a role in free market environmentalism, it makes more sense discuss the degree to which government

action in the form of taxation and regulation is predictable, equitable, and as neutral as possible in imposing its impact upon economic stakeholders.

For instance, consider the impact of environmental taxation and regulation imposed to achieve a specific environmental objective. Economists study the impact of such taxes in terms of their tax interaction effects (TIE) with other economic activities. These tax interaction effects - regardless of the form they assume (i.e. taxes, regulations, technology standards or quantity restrictions) - ultimately exert an impact upon citizens as surely as if they had been directly imposed upon their labor. This unavoidable outcome occurs because environmental taxes and regulations of necessity increase the cost of goods and services in those industries involved with the regulated activity. Subsidies are similar in that the associated costs of are incurred by others. In short, regulations tend to raise the cost of goods and services such that “an hour of labor buys less than it did before the regulation.” Consequently, “workers perceive a drop in their real wage and choose to supply less labor and consume more leisure – exactly as they would if the tax on labor were increased” (Murray et al., 2005, p. 76).

Nor is the only manner in which governmental intervention to protect the environment serves to dampen economic productivity. Tax interaction effects also impinge upon government costs and expenditures.

“If regulation causes people to work less, then less revenue is collected from taxes on labor. This reduction in labor causes the government to receive lower income tax and payroll tax revenues. To make up for revenue shortfalls, the government must increase these taxes if it wishes to maintain revenue neutrality. This increase, once again, causes workers to choose to work fewer hours, and a further reduction to the well-being of the average person results. It is important to recognize that this literature does not make judgments about the value of government expenditures to society. The problem is not that the expenditures are not necessary or good. The

problem is that raising those revenues reduces the individual incentives to work, thereby raising the social cost of the expenditures” (Murray et al., 2005, p. 76-77).

These brief examples serve to illustrate the problems inherent in utilizing the coercive power of the government to compensate for the supposedly perverse impacts of individual choices within free markets (Anderson, 2000). The heart of the quandary is that if markets are not regulated in any fashion, avoidable risks are incurred to both the public and environmental health which the free market may or may not readily or adequately address. Traditional solutions for “market failure” propose the use of taxation when negative externalities or third-party effects occur, such as in instances of industrial pollution. However, in many instances governmental intervention may ultimately prove unnecessary when market participants are guaranteed clearly defined property rights (Coase, 1937, 1960; 1992).

Governments are often called upon to mitigate what environmentalists consider perverse outcomes. However, as we have observed there is no reliable way in which the government can intervene in the market without introducing distortions that ultimately impact worker productivity and hence, long term prosperity, as well as governmental revenue and the related permutations produced by increasing taxes in the midst of macroeconomic downturns. In short there is no ideal formula for the interaction of government regulation and markets as the democratic distributor of goods, resources and labor.

It is for this reason that those who favor free market approaches to environmentalism prefer tax and regulatory approaches that are transparent, predictable and readily understandable by all players in the market, and which impose regulatory costs upon pertinent market actors, rather than narrowly singling out the few for either extra regulation or taxation, or target special groups for disproportionate benefits or costs.

A Concern Driven by Ethical Values

This is, however, not the perspective of the bulk of our environmentalist colleagues in the academy. As the examples cited in this essay illustrate and their extensive scholarly articles, books and lectures consistently

reveal, they favor a significantly more intrusive government role that reduces and usually ignores property rights, limits economic growth, innovation and opportunity, increases taxes and regulatory costs, centralizes economic power in the hands of the political system, and redistributes economic risks and benefits in ways that the technocrats who manage these programs deem as “environmentally sustainable” and/or socially/economically just and equitable.

Though unhappy with the invisible hand of the market these anti-capitalistic professors and thinkers within our colleges and universities run the risk of being crushed by the iron-clad glove of the oppressor leader who may act in the interest of the environment by needlessly tromping upon the freedom and initiative of individuals. These academic colleagues, however, do not make their appeal to students and the public with any less sense of ethical concern and compassion than we who pursue environmental change through the market.

Consider, if you will, our colleague at Oberlin College, the prolific Robert W. Orr. While we disagree with Dr. Orr in terms of his political and economic strategies for environmental sustainability, we can scarcely fault him for looking at the state of humanity in the world with a deep sense of ethical unease. Like those of us who champion free market environmental approaches, he too has considered the failures of collectivist and market oriented economics. In Orr’s opinion,

“Communism failed because it produced too little at too high a cost. But capitalism has also failed because it produces too much, shares too little, also at too high a cost to our children and grandchildren. Communism failed as an ascetic morality. Capitalism failed because it destroys morality altogether” (Orr, 1996)

Assuming Dr. Orr’s point of view, we can’t help but wonder how he could have anything but an antagonistic attitude toward capitalism – assuming that as a person of demonstrable ethical and moral integrity, he truly believes that capitalism’s ultimate product is decadence and immorality. If we agreed with his ultimate pessimistic conclusion, then we might likewise embrace the socialist hegemony and look

to government and the collective to temper the excesses of the individual and atone for the sins of the capitalists and exploiters – achieving this end by redistributing a goodly portion of their resources to those who had been harmed by their gluttony. Likewise if we embraced Orr’s economic perspective arguably we too would be in favor of devolving humanity ecological footprint as an act of ecological redistributive justice.

While we acknowledge that market systems are by nature amoral entities that sometimes produce immoral outcomes, we do not share Orr’s assumption that individual participants in free markets will not behave in a moral fashion. On the contrary, our optimism in this regard rests upon our confidence in democratic and spiritual values inherent within the culture that transcend the narrow preference utilitarianism of market behavior. In other words while we believe that human beings can be decadent, wasteful and glutinous, and believe human beings engage in trade and the exchange of goods and services as a basic expression of their social ecology, we do not believe that is their entire or even principal nature.

Those of us who favor market solutions to environmental problems embrace the morality that Adam Smith originally associated with the market, namely “natural” divinely imbued rights for individuals, frugality and thrift, sound investment, fair play, honesty and transparency, efficiency, the legitimacy of property and property rights to include the right to the ownership of one’s own labor and skill, and the wise and conservative utilization of resources in the interest of insuring ongoing economic productivity. Moreover, we value Smith’s egalitarian worldview in which people live together as “natural equals,” and his recognition that democratic society and free trade go hand in hand. In particular, Smith promoted democracy with his assertion that self-interest, practiced by all people, benefits society as a whole. In so doing he affirmed each person’s right to be free to pursue their dreams and ambitions as they see fit in the belief that these individual pursuits serve to promote the freed of everyone else to do likewise.

However, of the values Smith introduced perhaps none is as central as his emphasis upon humility in managing the affairs of society. We are reminded of his observation that

"The statesman who should attempt to direct private people in what manner they ought to employ their capitals would not only load himself with most unnecessary attention but assume an authority which could safely be trusted to no council and senate whatever, and which would nowhere be so dangerous as in the hands of man who have folly and presumption enough to fancy himself fit to exercise it" (Smith, 1776, p. 161)

This sage advice from Adam Smith cautions all who seek to govern, regulate and manage markets, improve the environment and educate students in the skills, knowledge and value to live sustainably to proceed in the full knowledge that there is more uncertainty than certainty in our philosophy and science. Moreover, despite our best efforts, we can never instrumentally manage the intricacies of the market with the fluidity that the market demonstrates itself through the independent exercise of the prerogatives of individual participants. Whenever anyone becomes foolish enough to assume they are in possession of such wisdom, the only certainty to follow is the emergence of wholly unexpected, unintended and untoward consequences.

Nevertheless, in the interest of achieving the goals of social justice and environmental sustainability, those who would be our ecological regulators and governors are influencing today's students in a direction that will ultimately limit freedom, dampen markets and increase governmental control and regulation over virtually every aspect of the citizenry's life – all in the name of protecting nature from human beings. This newest ecological rendition of original sin has significant ramifications for the future progress of mankind.

To Dumb to be Green?

In so doing, one might wonder whether those invested in the academy's environmentalist hegemony have concluded that most people are just "too dumb to be green" and rather than allowing the public to run amok maximizing their own desires through market interactions, they have concluded that it is better for government planners to appropriate this prerogative by way of taxation and regulation. This would seem

to be the dominant philosophy given the impetus in the academy to not only dispel among students any notion that free market solutions to environmental issues can work, but to additionally seek to enlist them into the bureaucratic elite that they believe will ultimately regulate these environmental resources for the benefit not only of the public, but for the environments directly and specifically.

While some within the academy may also consider those among their midst who advocate market solutions to environmental problems as perhaps “too dumb to be green,” they should be careful not to fall into the fallacy Smith warns of and conclude that because free market solutions appear so patently obviously and completely immoral, that enhanced government control over the market is not only necessary for environmental sustenance, and morally inclusive of the needs of others but is also intellectually and morally superior. As Adam Smith observes this degree of moral certitude and intellectual assuredness “is dangerous” for anyone “who [has the] folly and presumption enough to fancy himself fit to exercise it.” The inescapable lesson to be garnered from Smith’s moral prudence is that there is no room for moral superiority in economic, political, or ecological disagreements.

For many of us who teach within the university, any hegemonic expression of ecological paternalism – be it a socialistic, Marxist form of environmentalism or free market environmentalism - is simply unacceptable. We affirm the central role and function of the academy as promoting the broadest possible diversity of ideas. To exclude ideas such as those proffered by Anderson and Leal, Robert Stroup, Peter Huber and others simply because they espouse values grounded in classic liberalism which embrace a philosophy of individual freedom, responsibility and initiative as expressed in market interaction is to be more than parochial and narrow minded in one’s intellectual orientation. It is rather the exhibition of an arrogance born of the mistaken assumption that their collectivist, bureaucratic and socialistic vision of the world is by definition superior to all other worldviews and is therefore exempt from competing in the world of ideas and conceptual debate. Uncritical acceptance based upon faith is the antithesis of academic inquiry. Force and coercion are anti-intellectual and the academic “shout downs” typical of

those converts to the new religion of environmentalism are likely to be extremely damaging to academe over the long run.

Intellectual argument ought to be embraced as a crucial lever against force. As Ayn Rand (1986) noted "A gun is not an argument." Nevertheless, the dedication of many in the academy to classic liberal solutions to social and ecological problems persists, and chief among these efforts is the pursuit of environmental solutions using free market principles. Imagine though how invigorated the life of the academy would become if more among the community of scholars would sincerely welcome an honest debate and discussion regarding the pros and cons of solving our environmental and social problems via the exercise of socialist collectivism and government or through the exercise of democratic preferences expressed in free market exchanges.

References:

Anderson, Terry L. (2004) "Why Economic Growth is Good for the Environment," *Hoover Digest*. No. 3 (Summer), Retrieved from the Worldwide Web at <http://www.perc.org/articles/article446.php>

_____. (2000) *Political Environmentalism*. Bozeman, MT: PERC Publishers

Anderson, Terry L. and Leal, Donald R. (2001) *Free Market Environmentalism*. New York, NY: Palgrave.

Bastiat, Frédéric (1848) *What Is Seen and What Is Not Seen - The Unintended Consequences of Government Spending*

Blumm, Michael C. (1992) "The Fallacies of Free Market Environmentalism," *Harvard Journal of Law and Public Policy*, Vol. 15, p. 371.

Boff, Leonardo (1997) *Cry of the Earth, Cry of the Poor*. Orbis Books.

Bruneau, Joel and Echevarria Cristina (2009) "The Poor Are Green Too," *Journal of International Cooperation Studies*, Vol.16, No.3, p. 2-22.

Clouter, Melissa. (2008) "When Environmentalism is a Luxury," Pajamas Media. November 24, Retrieved from the Worldwide Web at <http://pajamasmedia.com/blog/the-luxury-of-environmentalism/?singlepage=true>.

Coase, Ronald H. (1937) "The Nature of the Firm." *Economica*, Vol. 4.

_____. "The Problem of Social Cost." (1960) *Journal of Law and Economics*, Vol. 3.

_____. "The Institutional Structure of Production". (1992) *The American Economic Review*, Vol. 82, No. 4, September.

Commoner, Barry. (1971) *The Closing Circle: Nature, Man, and Technology*. New York, NY: Knopf.

Defenders of Wildlife (2009) Defenders of Wildlife Wolf Compensation Trust. Retrieved from the Web at http://www.defenders.org/programs_and_policy/wildlife_conservation/solutions/wolf_compensation_trust/index.php

Ezeonu, Ifeanyi C. (2004) "Poverty and the Environment: Sociologizing Environmental Protection in Sub-Saharan Africa," *The Review of Black Political Economy*. Vol. 31, No. 3, p. 33-42.

Fisher, Hank. (2001) "Who Pays for Wolves?" *PERC Reports*. Vol. 19, No. 4, Retrieved from the Worldwide Web at <http://www.perc.org/articles/article319.php>.

Foster, John Belamy (2009a) *The Ecological Revolution: Making Peace with the Planet*. New York: Monthly Review Press.

_____. (2009b) "The Crisis of Capitalism," Presentation at "Econvergence: Northwest Regional Gathering on the Economic and Ecological Crises," (October 2), Portland, OR.

_____. (2009c) "On the Great Financial Crisis," An Interview with John Belamy Foster as written by Mike Whitney for Monthly Review (February, 27), Retrieved from the Worldwide Web at <http://mrzine.monthlyreview.org/2009/foster270209.html>

_____. (2002) *Ecology Against Capitalism*. New York: Monthly Review Press.

_____. (2000) *Marx's Ecology: Materialism and Nature*. New York: Monthly Review Press.

_____. (1995) "Global Ecology and the Common Good," *Monthly Review*. (February).

Grossman, Gene M. and Krueger, Alan B., (1995) "Economic Growth and the Environment," *The Quarterly Journal of Economics*. Boston: MIT Press, vol. 110(2), pages 353-77.

_____. (1991) "Environmental Impacts of a North American Free Trade Agreement," Working Paper No. 3914. National Bureau of Economic Research, Cambridge, MA.

Hirschmann, Albert O. *The Passions and the Interests: Political Arguments for Capitalism before Its Triumph*. Princeton: Princeton University Press; 20th Anniversary Edition (January 6, 1997).

Hollander, Jack M. (2003) *The Real Environmental Crisis: Why Poverty, Not Affluence, Is the Environment's Number One Enemy*. Berkley: University of California Press.

Huber, Peter. (2000) *Hard Green: Saving the Environment from the Environmentalists A Conservative Manifesto*. New York: Basic Books.

Martinez-Alier, J. (1995) "The Environment as a Luxury Good or "Too Poor to be Green"? *Ecological Economics*, Vol. 13, No. 1 (April) p. 1-10.

Maslow, Abraham H. (1943) "A Theory of Human Motivation," *Psychological Review*. Vol. 50, No. 4, p. 370-96.

Murray, Brian C., Keeler, Andrew and Thurman, Walter N. (2005) "Tax Interaction Effects, Environmental Regulation, and "Rule of Thumb" Adjustments to Social Cost," *Environmental & Resource Economics* Vol. 30, p. 73–92.

Norton, Bryan G. (2005) *Sustainability: A Philosophy of Adaptive Ecosystem Management*. Chicago: University of Chicago Press.

Orr, David W. (1996) "What Is Education For? Six Myths about the Foundations of Modern Education, and Six New Principles to Replace Them" *The Learning Revolution*. (Winter), p. 52-54.

Pomeranz, Kenneth and Topik, Steven. (2000) *The World That Trade Created: Culture, Society and the World Economy, 1400 to the Present*. Armonk: M.E. Sharpe Publishers.

Rand, Ayn. (1986) "What is Capitalism?" *Capitalism: The Unknown Ideal*. New York, NY: Signet.

Rawls, John (2001) *Justice as Fairness: A Restatement*. Cambridge: Harvard University Press.

_____. *Political Liberalism*. (1996) Cambridge: Harvard University Press.

_____. *A Theory of Justice*. (1971) Cambridge: Harvard University Press.

Rios, David R. Butch Thompson, Mickey W. Hellickson (2007) "Application of the Balanced Scorecard to Realize Strategic Management of Wildlife Resources," *Rangelands*. Vol. 29, No. 2, p. 18-21.

Smith, Adam (1776) *Wealth of Nations*. London: Methuen & Co., Ltd.

Stansilaw, Joseph and Yergin, Daniel (2002) *The Commanding Heights : The Battle for the World Economy*.

New York: Free Press.

Stone, Suzanne Asha Nina Fascione, Craig Miller, Jim Pissot, Gina Schrader, Jesse Timberlake. (2008).

Livestock and Wolves: A Guide to Nonlethal Tools and Methods to Reduce Conflicts. Defenders of Wildlife.

Stoup, Richard L. (2003) *Eco-nomics: What Everyone Should Know About Economics and the Environment*.

Washington: Cato Institute.

Vogel, Michael P. (1967) *Environmental Kuznets Curves: A Study of the Economic Theory and Political*

Economy of Environmental Quality Improvements in the Course of Economic Growth. Berlin: Springer-

Verlag.

Wallis, Victor (2010) "Beyond Green Capitalism," *Monthly Review*. Vol. 61, No. 9, Retrieved from the

Worldwide Web at <http://www.monthlyreview.org/100201wallis.php>

White, Curtis (2007) "The Ecology of Work," *Orion Magazine*. (May/June) Retrieved from the Worldwide

Web at <http://www.orionmagazine.org/index.php/articles/article/267>

Wimberley, Edward T. (2009) *Nested Ecology: The Place of Humans in the Ecological Hierarchy*. Baltimore:

Johns Hopkins University Press.

Yandle, Bruce, Madhusudan Bhattarai, and Maya Vijayaraghavan (2004) "Environmental Kuznets Curves: A Review of Findings, Methods, and Policy Implications. Property and Environmental Research Center (PERC) Research Study 02-1 update, April 2004. Bozeman, MT. Retrieved from the Worldwide Web at <http://www.perc.org/articles/article207.php>